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Frances FitzGerald in Iran:

GIVING THE SHAH EVERYTHING HE WANTS

If You Haven't Paid Tribute Yet, You Will

Frances FitzGerald

GIVING THE SHAH EVERYTHING HE WANTS

"We just made $2 billion more today," the Iranian official said. "The sheik of Abu Dhabi put his prices up a few cents a barrel." He did not have to explain; all the diplomats assembled at dinner were, by virtue of their posts in Teheran, experts on the complicated arrangements by which oil prices are fixed. He went on to talk about the French elections, Watergate, and the difficulty of getting good lamb today in Iran. He was good at such conversations, witty and knowledgeable. With his Oxbridge accent, he seemed rather more cosmopolitan than the American and Western European diplomats. But some of these thought him superficial—a bit of a yes-man and a public-relations expert. Later he drove one of his guests home in his black Mercedes with the top down and the tape deck playing a mournful Persian song. He played the same tape twice, pointing out the beauty of the melodic line.

"What are the words?" the foreigner asked.

"I won't tell you."

"But why not? What are they?"

"It's a revolutionary song. I won't tell you the words. It's sick, that song, sick."

One night a few years ago, the official had been driving that car at high speed, drunk, and he had crashed into the gates of the Shah's palace. In a second the searchlights were on him, and he heard the sound of a dozen rifles clicking to the ready. He says he does not know why he did it.

Iran is a country of walls and mirrors. Walls surround the villages as they surround every house in Teheran, dividing the public and private lives, creating distances where they do not exist. Behind walls that are mud-brown and anonymous, the rich conceal their fountains and gardens from the desert. The great Iranian poet Hafiz never wanted to travel because, like all visionaries, he felt that the truth must lie inside. He also felt that even there it was not easy to find. In keeping with this sensibility, the great families of Iran have covered the insides of their houses with murals and faceted mirrors so that each room is a visual maze of light and reflections of the real and painted figures. Turn the thought around and the mirrors are a complete defense system, turning away the truth. In Iran nothing is exactly as it seems. A foreigner finds uncertainty behind arrogance, sadness behind euphoria. But ambiguity may be the only principle of nature in Iran.

Iran today appears to be as fortunate as any country has ever been. Over the past three years the oil revenues of the Iranian government have jumped from $2.5 billion per annum to an expected $18 billion. If, as seems probable, oil prices continue to rise, the figure will equal the total exports of some Western European countries, such as Great Britain. These billions are, of course, only a fraction of the capital that will wash from the oil-consuming to the oil-producing states over the next few years. But the situation of Iran is very different from that of the Arab sheikdoms on the other side of the Persian Gulf, whose small populations and great desert wastes cannot begin to absorb

The Shah's fears of a third world war breaking out over Iran may become a self-fulfilling prophecy

Frances FitzGerald won the National Book Award for Fire in the Lake, *a report on Vietnam.*

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such amounts of money. Iran, the world's third-largest oil producer, is about the size of Alaska. It has more than 30 million people, and a relatively large quantity of arable land. Its mineral resources, principally copper, may be potentially as valuable as its oil. The Shah now predicts that his country will be the fifth most important power in the world—after the United States, the Soviet Union, Japan, and China—within the space of a generation. Whether or not he is correct, the GNP growth rate of Iran is today the highest in the world.

Teheran today is a boomtown. There is nothing quite like it, even in this oil-rich part of the world. The population, over 3 million, has nearly doubled in ten years. The construction of new office buildings, high-rise apartment houses, and superhighways proceeds at such a rate that even residents have difficulty finding their way around. The only points of reference are the snow-covered peaks of the Elburz Mountains to the north. On the new avenues are shops selling plumbing fixtures, television sets, and hideous brocaded, Louis Napoleon-style furniture. These avenues are raceways where Mercedes-Benzes, Opels, Simcas, Volvos, and huge American cars jockey for position. At rush hour the traffic looks like something out of Jean-Luc Godard's movie, *Weekend;* every day you can see one or more spectacular accidents with blood flushing into the street. These roads are about the only public spaces in the new city; such has been the pace of development and land speculation that there are few mosques and no parks at all. Because of the walls, the only roadside vistas are those made by construction sites —giving onto more blind walls.

On Friday, the Islamic day of rest, the young people of Teheran like to climb the mountain behind the city on a path that is lined with tearooms and restaurants. Ten years ago, it is said, very few people made that climb—mountaineering being a middle-class pursuit. Now thousands of young men and women, some dressed in blue jeans and climbing boots, others in workday trousers and pointed shoes, scramble and elbow their way up, five or six abreast. The all-day climb provides one of the few occasions for the young people of Teheran to meet outside the restrictions of their conservative families. It is also the only way for most of them to get out of that denatured city.

Henri Cartier-Bresson/Magnum

Gold rush

TEHERAN HAS BEEN A BOOMTOWN for some years, but since the rise in oil prices last year the pace has accelerated. Last spring governmental delegations, often including heads of state, flew into Teheran at the rate of one or two a week to ask for oil in exchange for agricultural products, capital goods, and technology. The foreign ministers, industrialists, and bankers formed a procession much like that on the friezes of Persepolis showing the emissaries of kings bearing tribute to the ancient emperors of Persia. German industrialists have now agreed to build $2.2 billion worth of joint venture projects in Iran, including what will be one of the largest oil refineries in the world, as well as a petrochemical complex, a steel mill, and a diesel engine plant. The French government signed a $4 billion agreement for, among other things, the sale of five nuclear reactors and the construction of new railways and a gas liquefaction plant and pipeline. During these inter-government negotiations, private businessmen gathered from everywhere. The banquet rooms of the Hilton and the Inter-Continental

were booked each night by Hawaiian Agronomics and other multinational corporations. In the hotel lobbies, Japanese, German, and American bankers complained about the telephone system and strode about with heavy briefcases. "A businessman called me the other day," one American resident said. "He didn't have an introduction. He had nothing specific to ask me. In fact, he didn't really know why he was here at all except that he felt that there must be a lot of money to be made and he thought he'd figure a way to glom onto some of it. It's like the gold rush here."

Commerce is only the visible part of the new activity in Iran. The Shah is doubling or tripling the strength of his armed forces. His troops now number 280,000. Only a handful of Iranians know anything about this buildup, which is labeled "classified," and at the moment its full extent can be gauged only by inference. In 1973 the Shah bought $2 billion worth of military equipment from the United States; in 1974 his purchases rose to $5 billion out of a total American arms sale of $8.5 billion. The Pentagon has not released much information on the equipment sold, but it is known that last year Iran had outstanding orders for more than 200 F-4E and F-5E fighter aircraft, and nearly 600 helicopters. Iran also ordered 800 Chieftain main tanks and 250 Scorpion light tanks from Britain. This year Iran has bought 80 of the new Grumman long-range fighter-bombers, the F-14s. It has also bought the most advanced small missiles and so-called smart bombs that are guided by lasers or television devices. Iran has one of the largest helicopter fleets in the world. Until it was discovered that American defense contractors cannot sell shares to foreign countries, the Shah had considered buying Grumman. As it is, he is thought to be negotiating for the YF-16 and YF-17, two models of fighter-bombers that are still under development. With the addition of these aircraft he may well have the third-largest air force in the world. In a few years Iran will have the capacity to manufacture an atom bomb, and by then it will have a delivery system that can reach all the way to Moscow. It will also have the depth of military equipment and personnel to fight a protracted conventional war against one or more of its neighbors.

Prior to last year's energy crisis, Americans paid very little attention to Iran. For the press, His Imperial Majesty Mohammed Reza Pahlavi, Shah of Shahs, Light of the Aryans, was a walk-on figure. He appeared regularly at White House receptions where, handsome, straight-backed, graying nicely at the temples, he would be photographed with Jackie Kennedy or Pat Nixon on his arm. The press rather liked him, for this "hereditary ruler of an ancient and fabulous empire" provided a little color to the otherwise drab line of visiting presidents and military dictators. The favorite press picture of the Shah was a color portrait of him in full-dress uniform, with gold braid and medals, seated on the jewel-encrusted Peacock Throne of Persia. The picture always appeared with a caption listing all his titles. The press did not, of course, wish to seem overly impressed by such magnificence. When in 1971 the Shah celebrated the 2,500th anniversary of the foundation of the Iranian empire with a fete at Persepolis that cost $100 million, most of the press criticized him for such a wasteful display, while at the same time exploiting the event to the maximum with full-color spreads of the assembled royalty. Information about the Shah never added very much to, or subtracted from, the royal portrait. Journalists treated him with

"Each room is a visual maze of light and reflections of the real and painted figures. Turn the thought around and the mirrors are a complete defense system, turning away the truth."

René Burri/Magnum

Elliott Erwitt/Magnum

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the same indulgent condescension they gave Haile Selassie and, in the 1950s, Ngo Dinh Diem. Americans were thus unprepared for what the Shah would have to say when, during the energy crisis, the press for the first time allowed him to talk at length.

"I know everything there is to know about oil, everything," he said at the time. "I'm a real specialist, and it's as a specialist that I tell you the price of oil must rise. There's no other solution. However, it's a solution you of the West have wished on yourselves. Or, if you prefer, a solution wished on you by your ultra-civilized industrial society." On another occasion, he said: "Well, some people will say that this is going to create chaos in the industrial world, that this is going to be a terrific burden on the poor countries. That is true, but as to the industrial world, I think that they will have to realize that the era of their terrific progress and even more terrific income and wealth based on cheap oil is finished. . . . Eventually all those children of well-to-do families, who have plenty to eat at every meal, who have their cars, and who act almost as terrorists and throw bombs here and there or go some other ways, they will have to rethink about all these aspects of the advanced industrial world." And at another time he remarked, "I would like you to know that in our case it is not just to take vengeance on the West; as I said, we are going to be a member of your club."

The Shah's interviews do not seem to accord with his former image. At the very moment of triumph his voice vibrates with anger, much of it directed at his allies in the West. He is almost childish in his victory. There is a resentment that seems to have been stored up over years of silence. But it is no good trying to find out about this Shah in Iran.

IMAGES OF THE SHAH are omnipresent in Iran. Framed portraits of him hang in the airports, in banks, in movie houses, and in every small shop. Huge oil paintings adorn the lobbies of hotels. The Shah's statue stands alone in parks and at the entrances to small towns. His face is on the stamps and in every office. Foreigners learn not to ask about these pictures because questions produce only shrugs and smiles. Iranians mention the Shah's name only to pay tribute.

The reticence of Iranians is not surprising given that Iran is a police state much like the Soviet Union. The secret police, called by its Persian acronym, SAVAK, has agents in the lobby of every hotel, in every government department, and in every university classroom. In the provinces, the SAVAK runs a political intelligence-gathering service, and abroad it keeps a check on every Iranian student. Private estimates put the number of SAVAK agents at 70,000—or approximately one for every 450 Iranians, but the numbers have, in many ways, ceased to be important. SAVAK officials themselves say that they have more unpaid informers than paid agents. As these informers and agents tend to concentrate on the top levels of Iranian society, it no longer matters in some circles who belongs to the SAVAK and who does not. Educated Iranians cannot trust anyone beyond a close circle of friends, and for them the effect is the same as if everyone else belonged. The SAVAK intensifies this fear by giving no account of its activities. People simply disappear in Iran, and their disappearances go unrecorded. Occasionally pieces of information will leak out to the West. It is known, for instance, that Vida Hadjebi Tabrizi, a sociologist at the University of Teheran, has been imprisoned without trial since mid-1972 and has been harshly tortured. At the time of her arrest she was, according to a Swedish newspaper, investigating the "living conditions of Iran's peasant population." The Shah says that his government has no political prisoners. (Communists, he explains, are not political offenders but common criminals.) Amnesty International estimates that there are about 20,000 of them.

No one really knows what the policy of the SAVAK is. Occasionally the government holds publicized trials of people it describes as Communists and/or traitors and saboteurs. The most celebrated trial this year was that of twelve journalists, artists, and filmmakers charged with conspiracy to kidnap the Shah or a member of his family. Whether these people knew each other is unclear, and, according to *Le Monde*, the twelve were arrested ten months before the government claimed they were. Two of them were executed on February 18, and the next day the government announced the execution of another group of six for "sabotage, arson, assassination, and armed attacks against the state" without giving any information about their arrest or the circumstances of their trial. The Shah has said that "nobody is arrested unless he has jeopardized the security of the state." But even words seem to threaten that security. Last year Reza Baraheni, a poet and literary critic, was jailed until he consented to make a televised statement denouncing the evils of Marxism. The curious thing, say those who know him, is that he is not a Marxist in any doctrinaire sense and that he believed what he said on television. Recently, the government seems to have been concentrating on the repression of intellectuals—it has made a number of public examples. But it is hard to tell: this spring there were reports of a mass arrest of schoolteachers, taxi drivers, and others in the provincial city of Hamadan.

Iranians themselves do not seem to know what

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they can say and what they cannot. "You can criticize anything in this country except the Shah," journalists will tell you. The catch is that over the years the Shah has become identified with the government as a whole and with all of its major programs. The newspapers confine their crusading to such questions as whether the sewage system in Teheran ought to be installed after the subways are built or at the same time. Foreign journalists have difficulty getting any kind of information; since it is assumed that the SAVAK knows whom they have talked to, officials tend to respond to most questions with lies or convoluted, long-winded evasions. The lies are often completely unfathomable. For example, the head of an important Teheran newspaper, a man known to have been a police informer in his youth, took the trouble to lie to me about his age. A foreigner may soon conclude that Iranian officials live without the ordinary distinctions between truth and untruth. Certain of these men no doubt do; because the government has no ideology and no definition of political error, every day they must imagine anew what the government would have them say. And it is easy enough to get lost between reality and what a person thinks the government thinks is true. Happily for the unimaginative, the propaganda keeps repeating various notions that have coalesced into a quasiofficial history of the regime. This history is much more complicated, though perhaps no more accurate, than the accounts in the American press.

The road to power

WHAT NEITHER THE IRANIAN official history nor most American press accounts touch upon is the manner by which the Shah came to power and the relationship of his regime to the Western democracies he now so abuses. The gaps are important in that the truth of these matters helps considerably to explain the current policies of the Shah and the present condition of his country. In Iran this truth is very close to the surface; but it is rarely spoken.

What Iranians know, in the first place, is that the conventional picture of the Shah seated on the Peacock Throne is, to a large degree, a *trompe l'oeil.* Far from being an hereditary monarch, Mohammed Reza Pahlavi is the son of a colonel—an illiterate until adulthood—who provided the military support for a coup against the reigning Qajar dynasty in 1921. The colonel took the name Pahlavi—the name of the ancient Persian language—as a piece of public relations when he crowned himself Shah. He thus created an air of historical legitimacy while dissociating himself from the Qajars, whose corruption and inefficiency had done a good deal for the spread of republican ideas in Iran.

Reza Khan—Reza Shah the Great, as official histories now refer to him—was a strong man in both senses of the phrase. He had no truck with Western notions of popular sovereignty; what interested him was the power of the West: the artillery pieces, the banks, and the railroads. He was fascinated by railroads, and after he had built them—by fiat, by threat, by the force of his own huge energy—he liked, so the current Shah says, nothing better than to ride them from place to place, checking his watch to see that they were on time.

Unlike some of his predecessors, Reza Shah wanted Western power for the state, not just for his own family. In the twenty years of his reign he pacified the nearly autarchic tribes of Iran—the Kurds, Kashgais, Turkomans, Baluchis, and Bakhtiaris—and established a modern army and a centralized bureaucracy. With this new power of the state he managed to reduce the influence of foreign powers—particularly that of Great Britain and Russia—which, during the Qajar period, had established a system of concessions bordering on colonial control over the wealth of the country. He fought the British in the League of Nations over their rights to the Iranian oil fields. But Reza Shah made one enormous miscalculation. In the 1930s he fostered close relations with Germany. (The present Shah explains that he wanted a counterbalance to Britain and the Soviet Union, and that was surely the case. But Reza Shah was not a man to be put off by Nazi practices, and he may well have had some sympathy for Hitler, particularly in his claims to Aryan supremacy.) At the beginning of World War II, he declared his country neutral and refused to give in to British and Soviet pressures to expel German technicians and propagandists living in Iran. In August 1941, British and Soviet forces invaded Iran, took control of the government, and forced Reza Shah to abdicate in favor of his son. The present Shah came to the throne as a virtual puppet of the Allied powers, the humiliation of being a mere figurehead compounded by the fact of his acceptance of the title from his father's enemies.

In his autobiography, *Mission for My Country*, published in 1961, the Shah devotes an entire chapter to what he calls his "positive nationalism." The qualification looks oddly old-fashioned now, and the protestation unnecessary. But the book was written in English with the help of an American scholar, and the Shah has reason to feel vulnerable on the question of his own nationalism, and not only because of the way he came to the throne.

For the four years of World War II, while the British and Russians occupied Iran, the Shah was not a very important figure in his own country. Relieved of the autocratic rule of his father, the old powers reasserted themselves.

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The landlords, the tribal chiefs, and the religious leaders regained some of their old strength, and even those who had served Reza Shah now vilified him. At the same time, political parties organized among those groups that had come to self-awareness under the reign of Reza Shah. The principal parties were the Tudeh (the Iranian Communist party) and the National Front, a loose coalition of middle-class nationalist and religiously oriented groups. When the occupying forces finally moved out of Iran, a political struggle erupted, one issue of which was the independence of the Majlis, the national legislature, and the extent to which those elected to it represented the various political groups.

The other main issue was the question of the oil concessions. The British-owned Anglo-Iranian Oil Company had, since 1905, held monopoly rights over the oil fields abutting the Persian Gulf and sustained a virtually autonomous position within the country. The National Front, led by Mohammed Mossadeq, along with other nationalist groups, felt the concession to be an infringement on Iranian sovereignty and opposed similar concessions to the Soviet Union as well. The position was a popular one among the politically conscious in Iran—the Allied occupation had left no reservoirs of goodwill—and Mossadeq had great appeal as a moral leader. By 1951 the National Front was strong enough to bring Mossadeq to power as Prime Minister. As a result of the previous British refusal to give the Iranian government a half of the oil profits, his first act of office was to declare the nationalization of the oil fields.

THE STRUGGLE OVER THE OIL FIELDS brought the United States to the center of the Iranian stage for the first time. From the beginning, the British took a strong line on the nationalizations, calling for a boycott on Iranian oil and an embargo on the sale of goods to Iran. The Americans were concerned about the strategic position of Iran in relation to the Soviet Union and the rest of the Middle East. (The United States had run a military and police training program in Iran since 1943.) As in the Suez crisis a few years later, the United States attempted to play the role of mediator between Britain and its former dependent. But the position of both countries remained inflexible: Mossadeq would not relent on the principle of nationalization, and the British would not agree to a 50-50 profit-sharing formula. Although the British could not obtain their terms, the oil supply in the 1950s was so much greater than the demand that they did manage to enforce their embargo. Soon the economy of Iran began to suffer, as did the enthusiasm for Mossadeq among the Iranian upper classes.

The Truman administration had supported Mossadeq, but the Eisenhower officials thought him a radical (he had forced the landlords to pay taxes and cut the government revenues assigned to the Shah) and had little sympathy for his cause. They refused to increase American aid and to make long-term loans, with the result that the economic situation got worse and the National Front weaker. Worried by the specter of a Communist take-over in Iran, these officials began to look for an alternative to Mossadeq. They found it in the Shah. They also found supporters of the Shah in the army and the police—both of which had been well canvassed by the American training mission. The CIA and an American general then stepped in and began to organize. In August 1953, the Shah was persuaded to dismiss Mossadeq and appoint General Zahedi (father of the present Ambassador to Washington) as Prime Minister. When Mossadeq refused to step down, the Shah fled the country, leaving the Iranian generals and the CIA to carry out what amounted to a military coup. The Shah returned three days later, after Mossadeq was safely under arrest. The Eisenhower administration soon announced that it would allocate $45 million in emergency aid to Iran and an additional $5 million a month in aid for the next three years.

The CIA-sponsored coup marked a turning point in Iranian politics. Now, when the American Ambassador to Iran, former CIA Director Richard Helms, tells Iranians that he sees no alternative to the Shah, the remark is a mere observation—as opposed to the implied command it was to his CIA colleagues two decades ago. The coup did not bring the Shah to the kind of power he holds today—that power did not come until a full decade later, after the application of a billion dollars in American aid and a substantial increase in oil revenues flowing to the Iranian government. Still, it was one of the more effective CIA ventures of its sort.

Ambassador Helms's current observation about the Shah has strong echoes: in 1963 the American Ambassador to South Vietnam was telling President Kennedy that there was no alternative to Ngo Dinh Diem. The Shah and his Prime Minister are very aware of Diem's fate. After all, the Shah, like Diem, was brought to office by a CIA coup, and, like him, he received a very large amount of American aid between 1954 and 1963, a good deal of which went into creating his army and police force. The Americans, along with the Israelis (who needed Iranian oil), formed and trained the SAVAK.

Until 1963 the Shah had many of Diem's problems, one of which was the need to pay off his own supporters, direct and indirect, at great expense. Even with American aid, the country drifted near financial crisis for a decade. There was no guerrilla movement in Iran, but there was opposition that was strong enough to threat-

en, if not to eliminate the Shah, at least to reduce him to the status of a true constitutional monarch. But by the early Sixties the Shah had oil revenues to supplement American aid; these permitted him not only to increase the repressive apparatus of the state but to buy important parts of his society as well. And to look at the economics of oil is to see that, to the Shah's government, oil revenues had many similarities to American aid.

Oil politics

AFTER THE SHAH'S RETURN to Teheran in 1953, the first order of business for the American government was resolving the question of control over the Iranian oil fields. The agreement signed by the Shah in 1954 gave the Iranian government nominal sovereignty over the fields while vesting full management and commercial rights in an international consortium of oil companies. British Petroleum (the former Anglo-Iranian) took a 40 percent interest; five American majors took an interest of 8 percent each for a total of 40 percent; the balance went to eight small American companies and two European concerns. The important feature of the agreement was, of course, the entry of the American majors into Iran. Significantly, the American majors, having large investments elsewhere in the Middle East, did not want to go into Iran. It was the United States government that worked out the agreement and that forced the majors in. There had been an antitrust suit against the majors pending in the Justice Department that would have deprived them of their power to fix prices and enter joint production and refining arrangements all over the world. In pressing for the entrance of the majors into the consortium, the National Security Council prevented any effective prosecution of the suit. It was an offer the majors could not afford to refuse. That deal has prevented the American government from regulating the oil companies in an effective fashion to this day, but it also gave the U.S. a new and malleable form of influence over the Iranian government and over Middle Eastern politics in general.

Until last year, most people thought of oil as a commodity something like coal or iron ore, its price and level of production being related to the cost of production and to supply and demand. But the price of Middle Eastern oil has always been artificial: it has depended not on labor or underground deposits but on international politics. In Iran, as in the sheikdoms of the Persian Gulf, the oil gushes up as if it were longing for release. The cost of production is surely less than would be the cost of collecting the sand above it. In the Sixties, the average cost to the oil companies of extraction was 16 cents a barrel, whereas the extraction of American oil cost $1.73 a barrel. And yet, traditionally, because of the dominance of the United States and its oil companies, the price of Middle Eastern oil was set at the cost of producing the stubborn, low-lying American oil. The quantity of annual production is similarly arbitrary, for in the Persian Gulf area the reserves are so large and so well identified that the limits to annual production are theoretical. Since World War II, the major oil companies, acting as a cartel, have calculated their volumes of production in such a way as to support oil prices and—though this is a more complicated matter—their own profits. Until the late Sixties their monopoly position was so great that they could do what they liked in the oil-producing countries. In Iraq, where radical governments fought through the Sixties for the nationalization of oil, production increased by only 185.3 million tons from 1961 to 1968. Iranian production, on the other hand, rose 600.5 million tons in the same period—the largest increase in all the oil-producing states, including Saudi Arabia—and in 1967 oil contributed 55 percent to the annual government revenues. In those years, there were many changes of government in Iraq but none in Iran.

In 1963 the Shah launched what he called the White Revolution, a series of edicts calling for the nationalization of water and forest resources, land reform, women's suffrage, the establishment of a Health Corps, a Literacy Corps and an agricultural extension service. Only two of these reforms were actually carried out, but one of them was quite important. The land reform law, adapted from the far more radical proposals of the opposition, enabled the government to buy surplus land from the old landlords and sell land titles to the richer peasants, who traditionally had the right to farm the land and act as village headmen. The reform did nothing for the poorer peasants, who had no such rights and could not buy in; in fact, it penalized some of them by abolishing the traditional claims they had on the landlords. But politically it was a great success. In one blow the Shah managed to destroy the quasi-feudal system in the countryside and the independent power base of the landlords while compensating the landlords well enough to maintain their loyalty. He also managed to divide the peasantry so that they had no common interest in organizing against him. There remained the nomad tribes, but these were no match for the Shah's army. The countryside was his.

And as the oil revenues increased, the city people had more and more of a stake in his government. The oil wealth permitted the Shah to support the building of small businesses and to subsidize food while allowing the importa-

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THE PRESENT OFFICIAL IRANIAN view of history is that the Iranian government has been engaged for years in the fight to stop the exploitation of its natural resources by unscrupulous oil companies and that it has finally succeeded. "We have broken the oil cartels," one economist, a former official, told me. Recently the Shah has taken on some of the rhetoric of the radical nationalists, blaming the oil companies for, among other things, creating the oil deficit in the United States last winter.

"I am of the opinion," the Shah has said, "that in the past we have been exploited by the colonial powers, by the capitalist world," and he has spoken of "seeing the noble product of our earth wasted in needless consumption by the affluent industrial societies of the world." The Shah's argument is a good one in the sense that, as he says, Iran has not benefited from its own oil to the degree the United States has. The taxes and royalties the Iranian government received in the Fifties and Sixties were a small fraction of oil company profits and a fraction of the revenues the U.S. government collected on gasoline taxes from American consumers. Then, too, as the Shah points out, oil has many other more valuable uses than fuel, principally in the petrochemical products that up to now the industrialized nations have manufactured for themselves and resold to Iran at a profit. The fact is, however, that the Shah made a pact with the West for just such a system of exploitation. The 1954 agreement has been modified several times in Iran's favor, but the initiatives have not usually been Iranian.

Until last year Iran was docile on the issue of national control (the nationalization in 1954 had been nominal), and it has been a follower rather than a leader in the negotiations between oil-producing and oil-consuming countries for an increase in the percentage of government profits, often lagging behind even those Arab sheikdoms which could not possibly invest the revenues in their own countries. Up to now the Shah's profits have increased mainly through increases in production.

After the Organization of Petroleum Exporting Countries (OPEC) meeting of last December, the Shah made a premature announcement of the dramatic decision to increase oil prices, thereby suggesting that he had played a major role in promoting the new prices. That meeting, however, only certified the changes that had already occurred. The new oil prices are in fact the result of a staggering increase in the demand for oil over a ten-year period, the gradual loss of oil-company cartel control over oil pricing, and the growing sophistication of all the oil-producing nations. In the context of these trends the countries that took the most aggressive initiatives were Algeria, Libya, and Iraq, the latter two countries governed by people the Shah considers "crazy, bloodthirsty savages." The new power of OPEC owes much to them as well as to the new solidarity of the Arab states on the question of Israel and on the decision to use an oil embargo as a weapon in the October War. The Shah, who can barely disguise his contempt for all Arabs and who implies that King Faisal is a puppet of the United States, did not join that embargo. But he profited from its fallout. The Shah's aggressive nationalism is in fact only as old as the success of his fellow rulers. The mythology, however, must be maintained.

As a result, an interview with Iranian bankers today is not quite like an interview with those of any other country, even though appearances may be much the same. Their offices have wall-to-wall carpeting, leather couches, and pretty bi- or tri-lingual secretaries. The bankers are young men who dress in Paris- or London-tailored suits and speak English with mid-Atlantic accents. They have degrees from Cambridge, Harvard, or Stanford; they are perfectly charming and perfectly fluent in the arcane language of fiscal policy or the international monetary system. But change the subject to politics, and they will talk about the virtues of Oriental despotism or the miracles the Shah has wrought with his White Revolution.

All this talk is, of course, mostly nonsense, as the bankers themselves know. Still, there is something miraculous about the economic growth of Iran. To achieve such growth the developed countries of the world have required heavy industry, huge labor forces, and thousands upon thousands of highly educated people. But the wealth of Iran came, so to speak, from nowhere —from a small arid plain in the southwestern corner of the country. The production of oil demanded very little labor and no domestically created technology. It was liquid money, which, flowing directly to the Shah, gave him complete freedom in his own country—at the price of his continued obedience to the West. From the Iranian standpoint that pact had a magical dimension. Within Iran it gave the Shah the kind of power that occurs not so much in life as in fairy tales, where the wish of the child-ego is fulfilled completely, leaving the rest of nature unchanged.

In the early Sixties one Kennedy administra-

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tion official went to see the Shah to persuade him to set up a Bureau of the Budget or some such piece of orderly, rational bureaucracy. The official argued the matter on the basis that the Shah, as the only source of power in the government, was far too exposed to an assassin's bullet, and that he ought to share power with others in order to deter a coup and give his government wider and more stable foundations. How the manufacture of such a bureaucracy would have resulted in the sharing of power the official did not explain. But the Shah must have felt the condescension of this advice, for instead of diplomatically saying yes and doing nothing, he pushed a buzzer. The door opened, and one of his high officials came in bowing, scraping, and cringing. "You expect me to share power with *that*?" the Shah asked.

Balance of terror

THE SHAH, WITH HIS ALADDIN'S LAMP of oil wealth, has wiped out or transmuted the whole history of the 1940s and '50s and all of its republican institutions. In official history Mossadeq is now a nonperson, and the period of the National Front "the dark ages," an interregnum in the glorious reign of the Pahlavis. (The Shah, it is explained, left the country in 1953 in a self-sacrificing attempt to prevent bloodshed as the people rose up against a corrupt, foreign-dominated government.) Iran still has a constitution. It has a national legislature whose members are chosen in regular elections with universal suffrage and two parties. The elections, however, always turn out to be a victory for the government party. The Shah has explained this phenomenon in an interview.

> Q: *The opposition doesn't appear to be very vigorous. Does it agree with you on the major issues?*
>
> SHAH: *It strikes me that it would be difficult to do otherwise. What could the opposition say? Could it say our oil policy is bad? That our policy of national independence is bad? That our social policy is bad? That what we are doing for the workers and farmers is bad?*
>
> Q: *There may be some disagreement on the methods....*
>
> SHAH: *In our country? The methods we use are the only ones possible.*

Amir Abbas Hoveida has been Prime Minister for the past nine years. Pear-shaped of body, agile of mind, he wears small exotic orchids in his buttonhole and sometimes kisses babies as a political gesture. He, too, belongs to the Alice-in-Wonderland world of appearances. "You know," he said to me, "I can't understand why anyone would want to join the opposition. There are so many opportunities in government.... Actually, some of the opposition deputies do join my party and rise to high positions in government. The ones who don't tend to be men of rather inferior quality." This Red-Queen assessment may sound engagingly frank, but of course the Prime Minister knows better than anyone else the answer to his question. The opposition exists because the Shah selects and pays its members, just as he selects and pays those of the government party, and because at some time the Shah may wish to get rid of Mr. Hoveida by "democratic" means.

The Shah, of course, has other means, and instruments other than Mr. Hoveida. His government is much like the inside of the great old Persian houses. Behind the legislature are the regular government bureaucracies, and behind the government bureaucracies, the Court. With its Imperial Inspectorate and its numerous other departments, the Court bureaucracy acts as a shadow government to the ministries and the National Iranian Oil Company. Shadowing the ministries and the Court are the military-security agencies, including the SAVAK and Military Intelligence. The Shah stands at the center commanding all avenues into this maze. As one American scholar has pointed out, with charts and graphs, the system resembles the traditional regimes of Iran, and the Shah controls it much as the Qajars did, by the principle of opposition and the balance of terror. There are always at least two of everything. For every institution there are others, equally powerful, with conflicting, or competing, interests. Every important post has opposites somewhere else in the government; every important man has his rivals.

In maintaining this balance of terror, the Shah pays particular attention to the armed forces and the police. It is said that he personally reviews the intelligence files on all officers above the rank of captain and that he will not permit the important troop commanders to speak with each other or to come to Teheran without his permission. The Shah handles the business world in much the same fashion. He keeps the essential industries, such as oil and steel, under direct government control. When these industries compete with private businesses over such commodities as concrete, the Shah can control the outcome. Then, if the government decides that a certain private corporation is getting too big or making too much profit, a law will suddenly be passed, a competitor will be discovered, or the gendarmes will be sent to collect taxes.

Charity functions are always a success in Iran if a member of the royal family is present: the prince or princess will simply line up the richest guests and stare at them until they contribute. A certain amount of money for the new affiliate of the Harvard Business School in Teheran was raised in just this way.

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EXCEPT IN THE FORMALITIES of the court, with their much-publicized gold braid and bowing, the medieval nature of the Shah's system is invisible. Officials, businessmen, university chancellors, and others who make up the elite of Teheran resemble their counterparts in New York, London, or Paris. They play tennis a good deal these days, and they talk of inflation and President Ford. In modern apartments, hostesses in caftans make careful mixes of businessmen, hairdressers, journalists, and painters in blue jeans who stare into space until made a fuss over. "Don't you see?" one foreigner complained to me. "It's all completely hollow. They're carefully studied imitations of us. But they're creatures and flunkies of the regime."

That, too, is an illusion. After a week, a foreigner will discover that the Westernized people of Teheran are perfectly aware of their own duality, and they feel the contrasts acutely. The same person who so fluently presents the regime's propaganda will also drop a remark like a stone into the smooth surface of a diplomatic dinner party: "You know the way we have to stand in front of *him*? Like this. With our hands over our balls." The tone will be too bitter for even the wives of diplomats to ignore. After a week in Teheran, a foreigner will hear people close to the center of power ruthlessly mocking the Shah's policy and themselves in the same breath before dropping back into silence or changing the subject. You will hear that the banker who presented the most dreamlike of historical theories was fired from a high government job because of his habit of independence—his questioning of the Shah. You will also hear that the journalist who presented such a perceptive analysis of certain forms of corruption is little more than a flack for a certain high official.

"You can't believe what we say," one Iranian businessman told me. "We have many more doubts than we can express. But then, as a foreigner, you'll probably hear lots of 'subversive' talk from people who want to impress you as having some independence—talk they couldn't get away with among those who know them. The truth is that we're all a part of the system." As his remark indicates, Iranian society is a conundrum much like that of the old story about the man who always lies and the man who always tells the truth. The remark itself was a part of the conundrum, and at the same time perfectly true. There are many in the upper echelons of Iranian society who are honest with themselves and who will eventually tell a foreigner, "We have been bought," and who feel guilty because of it. For them there are as many or more who enjoy the game, who like the money and the illusion of power—particularly the present great excesses of both—and who will lie and humiliate themselves in order to stay in the game. The problem is that the first group does not therefore cease to belong to the system. And the second has many of the symptoms that only the first can express. "We are suffocating here. . . . I sometimes feel like leaving the country for good. . . . It's that man, the Shah, among other things. He won't give us anything. Not a crumb. He won't talk to us any longer. He despises us." And both groups do the same kind of things. They make a great deal of money. They leave Iran whenever they like for business trips or vacations in Europe and the United States. And they know —they know very well—that there is no alternative to the Shah, that they are powerless and that they live on a very thin film on the top of Iranian society.

$200 a year

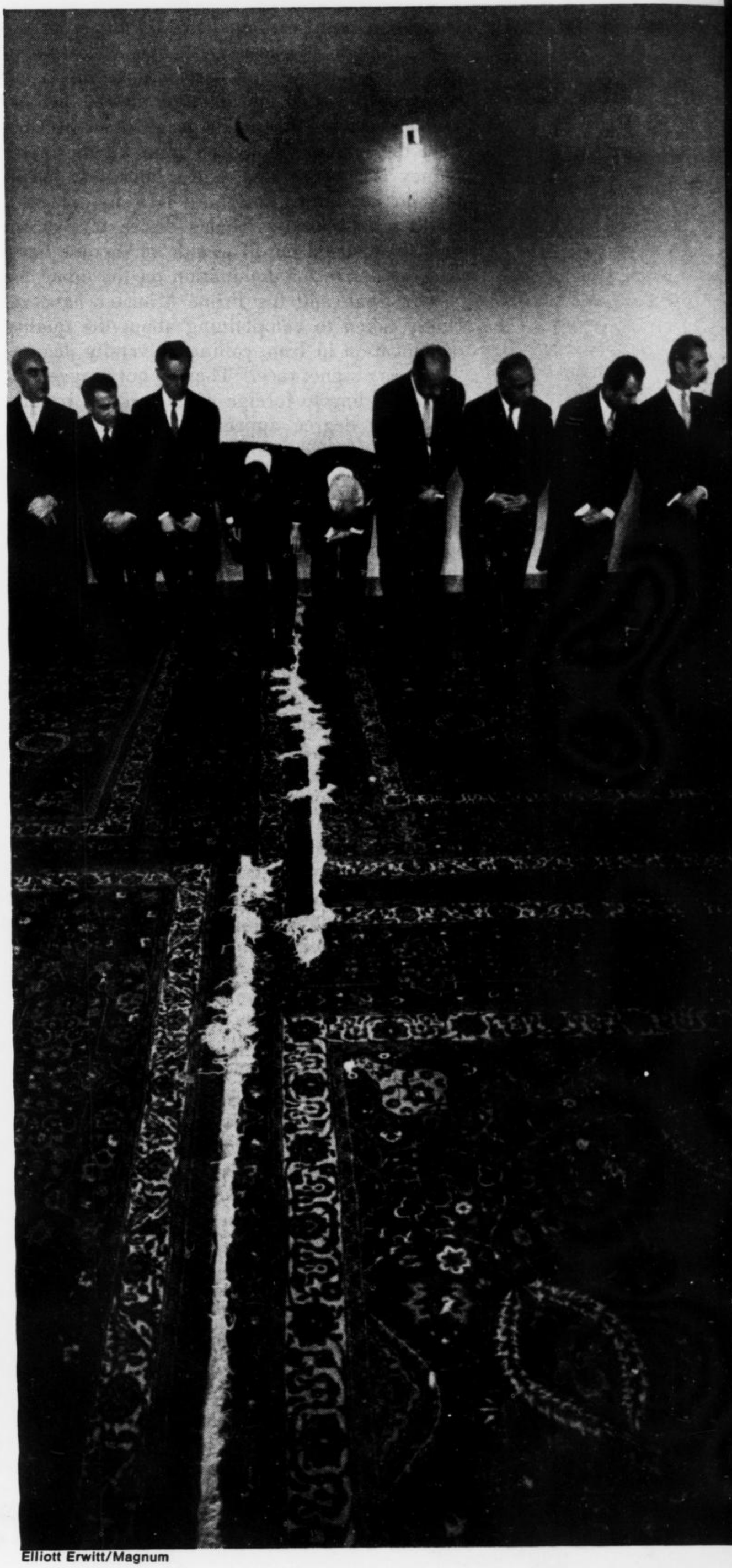
THIS YEAR THE SHAH SAYS—and his officials repeat after him—"In the great era of civilization that lies in front of our people there will be at least two or three holidays a week. . . . It must come with the automation of industry and increasing population, it must come." And he says: "The per capita income of every family will be so high that by the end of this year we are probably going to reach $1,000. In four years' time it will be over $1,800. In ten years' time it will be . . . more than most of the advanced European countries have today."

As the Shah himself must know, the measurement called "per capita income" is merely the sum of the national wealth divided by the number of the population and has nothing to do with the way most people live. In Teheran two-thirds of all families have an income of less than $200 per person per year. Dollar comparisons may be misleading, but the living conditions are almost as bad as the sum indicates. In the rural areas, where 58 percent of the population still live, over a third of all families earn less than $400 a year, while another 40 percent earn less than $800, and the inflation rate this year is 18 to 20 percent. The poor have not gotten poorer in twenty years, but the inequalities have become much greater. In the countryside there is widespread malnutrition—the average calorie intake in Iran is about the same as India's—and the rural people suffer from all the diseases that come with such conditions. About 70 percent of Iranians are illiterate (the government Statistics Center says 63 percent, and the Shah says 75 percent when he wants to emphasize the necessity for authoritarian rule). There are only 9,500 practicing physicians in the country—or one for every 3,300 people. Nearly half of them live in Teheran, and a great percentage of these cater only to the rich. This year, Iranian universi-

ties graduated about 18,000 students (fewer than Syria, whose population is a fifth of Iran's) and about 600 doctors. Each year half the medical-school graduates leave the country—there are more Iranian doctors in New York than there are in any city outside Teheran. The phrase "brain drain" was coined in Iran. In other words, despite its oil money and vaunted government stability, Iran is basically worse off than a country like Syria that has had neither —and a war going on—for the past twenty-five years.

The reason for all this is simply that the Shah has never made a serious attempt at development. The wealth of the country has gone into airports. (Teheran is just about to get a second international airport, and Iran Air has ordered 747s as well as the supersonic Concorde.) It has gone into private cars rather than buses, into consumer goods rather than public health, and into the salaries of soldiers and policemen rather than those of teachers. Corruption exists at every level of society, beginning with the Shah's own relatives, and, as in every two-bit military dictatorship, military officers take their cut from the customs and control business enterprises that are only distantly related to military affairs. With high tariff barriers and tax incentives, the government has done a good deal for some forms of private industry. It has made some people extremely rich producing consumer goods that the mass of the population does not need or cannot afford. Because of the uncertainties of government policy, businessmen tend to shy away from productive, long-term ventures to go into import-export or similar quick-profit ventures. And the government-run industries—with the exception of oil—are highly inefficient.

Iranian officials know all of this, but they also operate in a medium of propaganda that has become so dense over the years that it seems now to be a second reality. The White Revolution is the central event of official Iranian history, and university students spend an entire term studying the twelve edicts. It doesn't seem to matter that most of them have never been implemented. The Shah says that workingmen receive 49 percent of the shares of the companies they work for. In fact, very few companies have shares, and even skilled workers cannot afford to buy them. Last winter the Shah promised that all school children would receive a glass of milk and a piece of cake when they come to school in the morning. The cake may sound reminiscent of Marie Antoinette, but it is the milk (not to speak of the schools) that is lacking. "We'll buy powdered milk," one journalist said ironically, "and then the children can mix it with the polluted water of their villages." The disparity between what is supposed to happen and what actually happens does not result from



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sheer bad faith, incompetence, or huge corruption—though all these exist. The Shah would like to see such reforms carried out—his vision of himself is that of Shah of all the people. He employs intelligent, dedicated men who believe these things should be done. Furthermore, money is appropriated, and schools and hospitals do get built. But there is a fundamental conflict between the Shah's desire for reform and a redistribution of wealth on the one hand and his desire for domination on the other.

The Shah and his Prime Minister have recently taken to complaining about the quality of education in Iran, calling university degrees "degrees of ignorance." They do not exaggerate, for, according to foreign professors, an Iranian university degree approximates a high-school degree in most developed countries. University students, say these professors, write papers according to formulas and seem incapable of independent thinking. Furthermore, there is widespread corruption: professors usually have more than one job, and the administrators lower course standards and change the grades of students as a regular practice. The cause of all of this is, however, not very difficult to identify, since the universities depend on the government and the Shah regards intellectuals with suspicion. Government interference in the universities is constant. Professors are fired or arrested for expressing independent views, and students are arrested or shot for demonstrating. The main task of university administrations is, in fact, to prevent any kind of disturbance. As a result, they ally themselves with the SAVAK and give in when students complain about the difficulty of exams. It is small wonder that Iranians with any money send their children abroad for education and equally small wonder that a high percentage of these students do not return.

THE CONFLICT BETWEEN the government's desire for development and its primary interest in maintaining its own control shows up not only in the sensitive area of education, but in every form of activity, including the basic work of production. After the land reform, the government proposed cooperatives as the answer to the inefficiency of the small farms. The cooperatives did not work—few of them ever existed except on paper—because the government would not allow the farmers to organize and pressure it for the basic credit facilities they needed in order to modernize. The inefficiency became a vicious circle, for, as with the universities, the government's only answer to failure was the further imposition of its own authority. More recently the government has set up a system of Agricultural Corporations, wherein the farmer exchanges the title to his land for shares in a communal farm run by a government official. Since the bureaucrat who knows something about farming, is not corrupt, and can convince the peasants that he has their interests at heart is rare indeed, the Corporations are less efficient than the cooperatives.

Ask any Iranian official what the main problem of development is in Iran, and he will invariably reply "manpower." It is a word he has learned from Americans, and to him it means the shortage of a group of engineers, technicians, or middle-level administrators. But the word *manpower* is not that restricted. It implies an entire society. With over 30 million people, Iran has plenty of "manpower." It is just that the masses do not constitute the society the Shah and his bureaucrats want.

Most Iranians still live in a world apart from the bureaucrats of Teheran. It is a question not just of poverty but of culture. Many Iranians are nomads who migrate across the moonscapes of desert and high, hostile mountains. They are Kurds, Turkomans, and Baluchis whose women drink goat's milk and carry knives in the folds of their red-and-gold skirts. They are tinsmiths and potters and charcoal dealers. They smoke hookahs and they bargain in the cubbyhole shops of seventeenth-century bazaars. They are mullahs and dervishes and women veiled to the eyes. They are also peasants who live in mud-walled villages with flies and ferocious dogs. There is a hatred between the two cultures.

The resistance of the country people is now underground, for the tribesmen and the religious leaders lost their last battles to the Shah in the early Sixties. Since then the government has taken its revenge. It has settled some of the tribesmen forcibly. It has suppressed the Turkish language in favor of Persian. In the region of Khuzestan, on the Iraqi border, it has built new labor centers consisting of rows of houses without walls or gardens; and it has insisted that for the purposes of assimilation the Arabs live in alternate rows with the Iranians. There is one such center where each house is painted a different color—red, green, yellow, blue—and it is totally deserted. "The officials dislike the traditional mud houses," one American concluded. "They think they are uncivilized. So they build cinderblock housing that gets very hot in the summer, very cold in the winter. And the houses are so small that the people have no room for their animals." The government's future development plans call for the building of many more such centers. "There are 50,000 villages in Iran," one official said, "and that's too many. A lot of them are inaccessible. We can't get to them with schools or doctors, so we are planning to consolidate a number of them into what we call 'poles.'" The peasants will not be consulted on the move, and although the government plans to build these "poles" in areas that can be irrigated, the example of the labor centers in

Khuzestan raises the suspicion that agricultural planning is no better than it has ever been, and the peasants may have no means of supporting themselves. But the Shah believes that Iran should be a "sophisticated country," and these "poles" will have all the modern conveniences.

Consume and destroy

WHAT OFFICIALS ENVISAGE is the destruction of rural society as it is today. Agriculture, presumably, will be mechanized and the less productive areas simply abandoned. In a generation, officials say, the rural population will drop from 58 percent to 25 percent of the whole. This process of urbanization has, of course, been going on in most of the developed and developing countries of the world; the percentages are "modern." In Iran, however, it is not at all clear what these people will do, particularly since the bureaucrats tend to see them as percentages and "manpower." But ultimately the whole society will be homogenized and amenable to control from Teheran.

My father was a clown among the clowns of
an old king.
My mother was of the Turkish gypsies
All my sisters in brightly lit castles
by the bedside of that sterile prince
stand and dream of the arms of powerful
mountain men.
And my brothers, yes, my brothers,
are eunuchs serving the new brides of a new
king.

° ° °

My mother sang in the streets so long
her voice went blind.
My mother was of the Turkish gypsies,
but at the end of her life no one understood
her tongue.

The verses are from a poem called "The Jungle and the City," by Reza Baraheni, the poet who was forced to make his confession of errors on television.

The results of this homogenization are visible already in Teheran—a city largely populated by peasants and the sons of peasants. With its office buildings and superhighways, the city might belong to any cosmopolitan country. Teheran has no history prior to the nineteenth century. The town the Qajars made their capital has long been buried under concrete. Teheran has no museums to speak of and few monuments except those built by the Shah to himself. It is wholly commercial. Lying on an inclined plane that rises from the desert floor to the edge of the mountain, it has no mixed neighborhood: its social stratification rises with the hillside, as if it were some geological formation. On those slopes the drive for money is desperate. Men, and sometimes women, have two or three jobs. Those who make money are in a frenzy of acquisitiveness for space, for modern clothes, and for ton after ton of machinery and stuffed furniture. Teheran is, in many ways, a terrifying city to live in: the competition seems to have no rules, and there is no sense of community. "Our school is full of thieves. You have to be a thief to survive," sing the schoolboys walking down from the mountain. Teheranians point out the traffic as a sign of the underlying chaos of their controlled society. And they complain of the anonymity and the loss of values.

One Iranian has described his society this way: "The consumer society every day accepts more of the culture and values of the colonial West, and destroys its cultural bond with the people of Iran. This society cannot see the deprivation of the other society but looks down from its lofty throne at the deprived community without recognizing it. The technocratic values of the colonial West, with the old bureaucratic values, are the criteria and support of this society's existence. Profiteering, opportunism, isolation, individualism, and self-worship are the rules of life."

Another told me: "Our economic progress is a wonderful thing, but we are being swamped by you. No one cares for anything but money nowadays. We are overwhelmed by material goods, and we are losing our own values. Children don't respect their parents. Of course, there's nothing we can do about it. The modern world must come, and we are powerless. But what you have, is that really a way of life?"

The two Iranians cannot be so unrepresentative since the first is a guerrilla who was killed —probably tortured to death—by the government in 1971, and the second is a general and was the former head of the SAVAK. The general, interestingly enough, is the one who speaks of a loss of control.

Such sentiments are the underside of what has become a euphoria of money in Teheran. Hospitality is important in Persian tradition, but now it has reached such a pitch that slight acquaintances will offer you caviar, carpets, or islands. The extravagance of this giving, when it is directed to foreigners, seems almost an act of aggression. The same euphoria seems to have taken hold of the entire government. In planning what to do with the windfall billions of dollars it has made this year, the Shah thus far seems resolved not to take the conservative approach of investing them in bonds or treasury notes. This summer he bought a quarter of the Krupp's steelworks at a huge premium through a new issue of stock and loaned $1.2 billion to the British government. What Iran will buy in the United States has not yet been decided, but the consideration clearly gives Persian officials, if not the Shah himself, a good deal of pleasure. An Iranian just returned from a semiofficial trip to the United States told me casually, "Well,

"The foreign ministers, industrialists, and bankers formed a procession much like that on the friezes of Persepolis showing emissaries bearing tribute to the ancient emperors of Persia."

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I don't think we want ranches, do you? It's the Arabs who buy real estate. And besides, I don't think your ranches are very profitable. Perhaps it'll be a television station or the Hughes Tool Company." As it happens, Hughes Tool is not on the market, and American television stations, like American defense contractors, cannot sell stock to foreign countries. No doubt the Shah and his officials have a number of new ideas by now. One official told me, only partly in jest, "If you don't write a favorable piece, we'll buy *Harper's*."

ON DOMESTIC MATTERS, the Shah speaks of creating what he calls The Great Civilization. What this means is rather obscure. ("It's one of those phrases that gets used so often it loses meaning," says the modest Queen Farah. "We hope that Iranians will have an acceptable standard of living in ten or fifteen years. That's my point of view, but perhaps my husband has something else in mind.") There are now programs for the enlargement and improvement of almost everything in Iran from oil refineries to hospitals. Officials talk of solving the teacher shortage by sending up a television satellite that will beam educational programs into schools and solving the doctor shortage with electronic equipment that will transmit medical reports for analysis into a central hospital. As officials see it, schools can be built, technology can be bought, and the manpower shortage filled with money. "What do we care if Iranian students don't want to come back here?" the Prime Minister told me. "We can buy their talents. We can get foreigners."

Foreigners have always been important to Iranian development projects. Foreigners built the oil fields, the dams, and the railroads. The Morrison-Knudsen Company drew up the basic development program for the country in 1947, and the Shah had an American adviser when he made the oil consortium agreement. And now the Iranian government has decided to bring foreigners deeper into the fabric of the society instead of replacing them with Iranians. Over the past few years, the government has leased hundreds of thousands of acres of productive land to multinational agribusiness. In the Khuzestan region, just above the oil fields, Shellcott, Hawaiian Agronomics, and other multinationals have taken over huge tracts of newly irrigated land to develop with foreign technicians and modern farming machinery imported tax free. The productivity of these businesses, which have displaced some 17,000 Iranians from their land, is far lower than predicted (according to one expert, it is lower than that of medium-size Iranian farms in irrigated areas), but it is easier for the government to rent land to foreigners than to help out its own small farmers. The government is hoping to attract more agribusinesses. The great majority of its new industrial projects are joint ventures in which the foreign company imports the capital, technology, and management in return for a share in the profits. In the field of education, the government now proposes to ask prestigious Western universities to set up entire campuses and research institutes in Iran. As with the Harvard Business School affiliate, the government would pay the entire cost of the operation while the foreign university would provide teachers and exercise joint control over the administration. (Whether the universities could do without the large selection of books that are banned in Iran remains to be seen.) There are now 13,000 Americans in Iran, most of them technicians living in facsimiles of American suburbs around the cities and managing factories or instructing Iranians in military technology. There are also sizable populations of other nationals doing technical jobs. The doctors in the rural areas of Iran are, for instance, largely Pakistanis.

Educated Iranians tend to resent this wholesale importation of foreigners. They see much of it as unnecessary, humiliating to themselves, and a perpetuation of the old dependency on the West. It is, however, official government policy for the reason that it is politically convenient—indeed, perhaps necessary—for the Shah. Foreigners make no demands except for money, and if they cause trouble, they can always be shipped back home. "It's like a janissary system," one American resident concluded. "We are protecting the government from having to deal with its own people." As it happens, the system is also convenient for certain American businessmen and for parts of the American government. The old consortium pact still exists, though in a different form, and it has a great deal to do with the continuing amicable relations between the United States and Iran.

Last summer the Secretary of the Treasury, William E. Simon, was quoted as saying that he would bypass Iran on his trip around the Middle East because, among other things, "The Shah is a nut." Mr. Simon's contretemps with the Shah goes back to last winter when the Shah became the most aggressive exponent of increased oil prices. Mr. Simon is, however, the American official principally concerned with the price of oil to the American consumer. State Department and Pentagon officials have other considerations, mainly the traditional ones of global military strategy. Assistant Secretary of State Joseph Sisco told a Congressional committee last year that Iran was one of the two "major elements of stability" in the Middle East, and that it was "destined" to play a major role in the continued flow of oil to consumer countries. Whether or not Mr. Sisco is correct in his reading, the Shah has certainly contributed

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a good deal to the American balance of payments in the pursuit of that destiny. He may force up oil prices, as Mr. Simon fears. But the United States buys very little oil from Iran and sells goods worth much more. Last year Iran bought $600 million worth of nonmilitary goods from the United States and about $2 billion worth of military equipment. Pentagon officials do not expect a future sale to Iran comparable to the one this year of $5 billion, but they do expect the Shah to continue to "modernize and upgrade his armed forces on a long-term basis." In other words, European, Asian, African, and, to some extent, American oil consumers will be subsidizing American defense industries for some years to come.

The reason for this enormous new investment the Shah is making in his armed forces is rather a mystery. The total sum for this year is unknown, but, including domestic expenditures and purchases made in countries other than the United States, it will surely go far above that $5 billion, even counting the deferred payments. Asked what the purpose of this investment is, the Shah usually responds that it is to provide security for the passage of Iranian oil through the Persian Gulf. For anyone in the Shah's position, such a concern would seem reasonable enough. Iranian-Iraqi relations have never been good, and the small Arab sheikdoms on the other side of the Gulf are politically unpredictable. Right now the Shah has a regiment or more in Dhofar helping the Sultan of Muscat and Oman fight a small insurgency movement. Security for the oil lanes does not, however, explain the depth and strength of the Shah's new arsenal—even if it were to mean Iranian domination of the Persian Gulf and a strong Iranian presence in the Indian Ocean.

The relations of Iran with its other neighbors give no further clue. For some years Iran has been on fairly cordial terms with the Soviet Union. A natural-gas pipeline connects the two countries; in exchange for gas, the Soviet Union has built Iran a steel mill. (It is not a very good steel mill, but for many years the Shah had asked the United States for one in vain.) Afghanistan, Pakistan, India, Saudi Arabia, and Egypt present no threats. Iran is giving aid to all of them except Saudi Arabia, and India is so desperate for oil that Mrs. Gandhi had to give tacit approval to the Iranian buildup in the Indian Ocean. Pressed for further explanation, the Shah tends to become rather vague. He has spoken of the possibility of war with the Soviet Union without retaliation by the United States. "I have friends," he told one interviewer, "but we cannot depend only on our alliances. Sometimes we could be let down." He has also talked of an attack by the Soviet Union with American retaliation and the very great possibility of a third world war developing over Iran because Iran is "the key, or one of the keys, of the world." Beyond that he is never specific, except that he seems to contemplate a war with one or more of his smaller neighbors. "After all," he has said, "we have nothing but enemies on our frontiers." He also speaks of enemies within and has prepared for a good deal more of them than exist in those enemies' wildest dreams by increasing sharply the budgets of the gendarmerie and SAVAK.

Military spending is never completely irrational—except in the sense that all of it is completely so. But there are degrees. Given the current placidity in and about Iran, the Shah's military buildup, and his view of the world, seem to confirm Mr. Simon's reported judgment—or at least to invite psychoanalytic explanation. For those who are interested, there is rich material in the Shah's background.

THE SHAH'S FATHER was a physically strong, emotionally domineering man. In his autobiography the Shah never mentions his mother's name, but speaks at length and with near-reverence about his father, who was an orphan. This reverence is, of course, partly political. Still, for political reasons, the Shah would like to present his father as one of those stern-but-gentle men, but even in this ghostwritten autobiography he does not succeed. He explains that his father relied on punishment rather than on rewards and tells a number of stories in which it is clear that his father humiliated him. He was weak as a child, he says, given to long illnesses and visions in which he was saved from death by the powerful figures of two divine leaders of the Shiite sect of Islam. In his recent interviews the Shah has spoken of these visions and of his conviction that he lived and succeeded only because God was helping him. As a young man the Shah went in for horses, fast cars, airplanes, and numbers of women. At the same time he never challenged his father. Until the 1960s his reputation was for indecisiveness and even cowardice. In 1951, he helped to bring about the oil crisis by dithering when the British were on the point of agreeing to Iranian terms and three years later he fled from Iran during the coup that was mounted for him.

The Shah was never a sociable man. He is even less so today. Like many Persians, he seems to feel that other people are generally hostile and cannot be dealt with except on the basis of a superior-inferior relationship. In his autobiography the Shah mentions the names of only four male Persian contemporaries. Two are his worst enemies, and the other two are incidental figures—not his close associates or his great supporters, such as General Zahedi. In his interviews he often seems unnecessarily defensive. Under attack by Mike Wallace in a

Frances FitzGerald

GIVING THE SHAH EVERYTHING HE WANTS

television interview, he sat ramrod-backed, hardly able to speak, his eyes widened with rage.

But it is not necessary to go into psychoanalytic explanations to find reasons for the military buildup. The Shah is, after all, a soldier and the son of a soldier, and he reads specialized military magazines the way rural Americans used to read the Sears Roebuck catalogue. The armed forces were always his domestic power base. As Americans know, the attempt to keep generals happy is a never-ending process, accelerated when there is little or no civilian counterpoise. The Shah is a prisoner to his generals, but at the same time he can control his armed forces the way he cannot control the rest of his society—or, by extension, the rest of the world. The Shah's ambition to make Iran the fifth most-important power in the world is not so extraordinary considering, as an Iranian who knows him said, "how deeply he has been humiliated by the Western powers." But he cannot gain a hold on the economy of any developed country—the Europeans, Americans, and Japanese have much more experience at the game—and at home he faces the finally irreducible problem of "manpower." The armed forces remain his only strength and his only means of defense against the outside world.

The real question is what the Shah will do with his new military power, or what will be done with it. American State Department officials now express confidence that the Shah will protect American interests, that in accord with the Nixon Doctrine his armed forces will act as surrogates for the American troops, which, since Vietnam, cannot be sent to small and distant countries. They may be right. The Shah may continue to insure stability by threats of violence in the Persian Gulf while reserving the bulk of his forces to act as counters in all the various American military "scenarios" for the Middle East. On the other hand, the Shah may eventually tire of the spectacle of his troops parading and his $30 million fighter-bombers flying empty overhead. The invasion of another country may seem to him the solution to trouble at home, the answer to one of his perceived threats, or simply the fulfillment of his desire for grandeur. As an Iranian said with mixed feelings, "The puppet always ends by controlling his master." There is also the possibility that the very quantity of the Shah's purchases may alarm the Soviet Union and/or any of his other neighbors into taking steps against what they see as a major new military threat in the region. The Shah's fears of a third world war breaking out over Iran may not be so exaggerated—though, if it happens, it will be a self-fulfilled prophecy. Finally, there remains the certainty that the Shah will one day die and his bombers and nuclear reactors will pass on to an unknown.

The Shah says: "One can't foretell the future, obviously, but I'm persuaded that the monarchy in Iran will last longer than your regimes. Or maybe I ought to say that your regimes won't last and mine will." He says, "I am sure I'm right when I say that permissive society marks the downfall of civilization." And then, "Freedom of thought, freedom of thought! Democracy, democracy! With five-year-olds going on strike parading the street. Is that what you call democracy? Freedom? . . . It's all yours, you can keep it, don't you see? Your wonderful democracy. You'll see in a few years what your democracy leads to."

In Iran there is no organized opposition of any consequence to the Shah, and it is hard to conceive of the development of any domestic group strong enough to take on his army and police. Still, the opposition is everywhere, hidden, as it were, on the opposite side of every coin. The Shah has made his own servants into opportunists, and it is always possible to kill one man. The Shah may have better odds than an American President, but the odds turn both ways, for in his defensiveness the Shah has put weapons in the hands of more than a quarter of a million of his countrymen. Furthermore, in his drive for absolute power he has built himself a system that is absolutely vulnerable. He has two sons (the elder is now fourteen), but even the Queen, his regent, says that what will happen to them depends on how the Shah leaves his country when he dies. What happens when he dies is now, as always, the major political question in Teheran. "I ask myself that question a great deal," one businessman said. "I think about it when I look around at these big houses we live in. Because we are all tainted, and he has left us no way out."

The Shah's legacy to his country is Teheran, that perfect map of the system he has created, with his own palace and the houses of the rich backing onto the mountains with no exit. In previous centuries the fall of a dynasty affected very few people, for most of the society was hidden and ordered behind the walls of the villages. Now that the walls are broken down, there is no security for anyone. The great families may simply turn around, accommodate themselves, and serve any new regime as they served the Qajars and the Pahlavis. But what that regime will be is uncertain. All Iranian voices have been suppressed for so long that it is impossible to predict what will turn up. Communism? Fascism? A true constitutional monarchy or a republican regime? The last two are improbable because the Shah has built his armed forces to dominate the country.

Iranians know, and the Shah himself must know, that there is a colonel—there is always a colonel—waiting, like the Shah's own father, in the wings. □

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Magazine

Frances FitzGerald in Iran:

GIVING THE SHAH EVERYTHING HE WANTS

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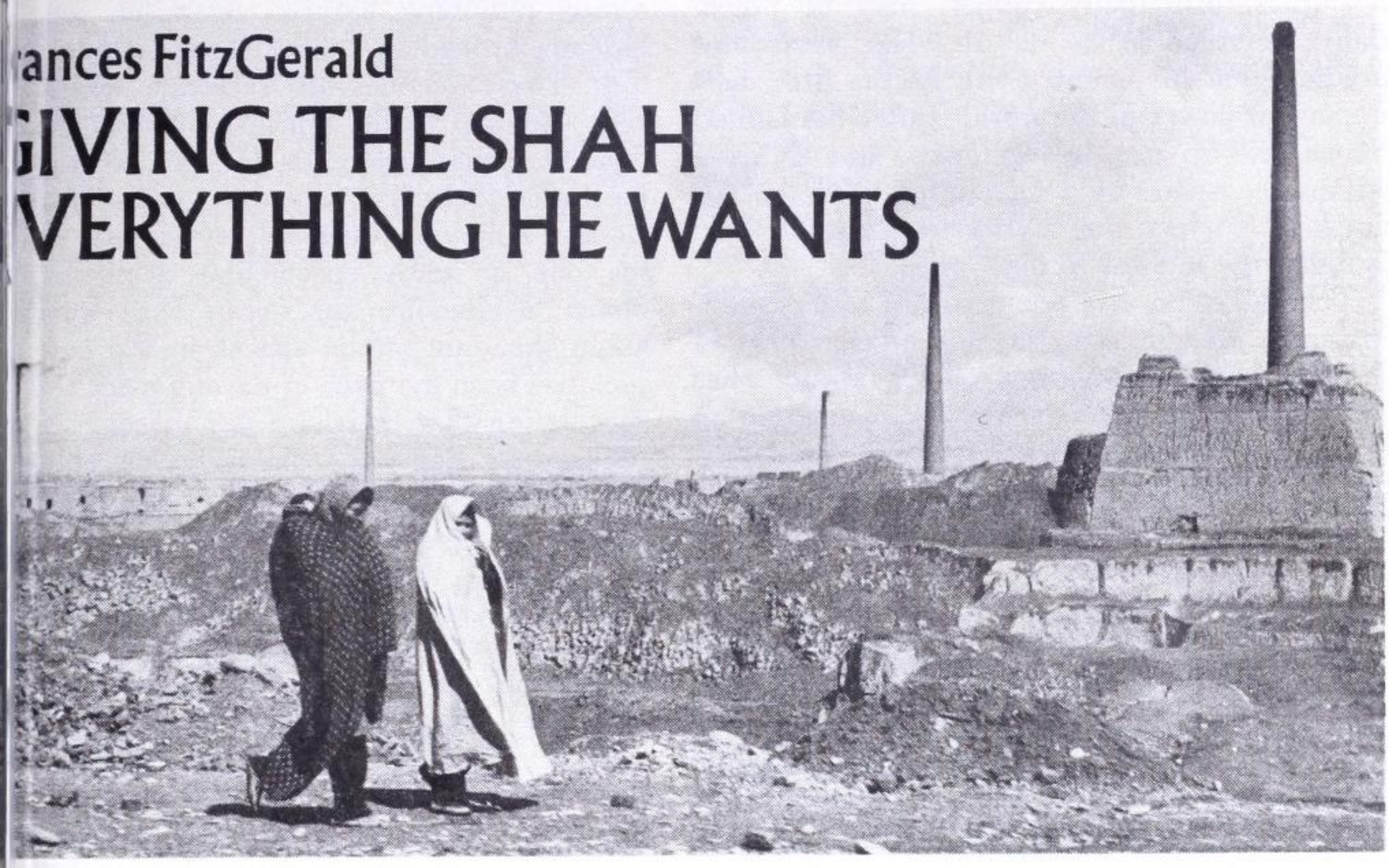
ances FitzGerald

GIVING THE SHAH VERYTHING HE WANTS



E JUST MADE $2 BILLION more today," the Iranian official said. "The sheik of Dhabi put his prices up a few cents a bar-' He did not have to explain; all the diplo-s assembled at dinner were, by virtue of r posts in Teheran, experts on the compli-d arrangements by which oil prices are d. He went on to talk about the French elec-s, Watergate, and the difficulty of getting d lamb today in Iran. He was good at such versations, witty and knowledgeable. With Oxbridge accent, he seemed rather more nopolitan than the American and Western opean diplomats. But some of these thought superficial—a bit of a yes-man and a pub-elations expert. Later he drove one of his sts home in his black Mercedes with the top n and the tape deck playing a mournful sian song. He played the same tape twice, ting out the beauty of the melodic line.

What are the words?" the foreigner asked.

I won't tell you."

But why not? What are they?"

It's a revolutionary song. I won't tell you words. It's sick, that song, sick."

ne night a few years ago, the official had driving that car at high speed, drunk, and had crashed into the gates of the Shah's ce. In a second the searchlights were on , and he heard the sound of a dozen rifles king to the ready. He says he does not know he did it.

ran is a country of walls and mirrors. Walls ound the villages as they surround every house in Teheran, dividing the public and private lives, creating distances where they do not exist. Behind walls that are mud-brown and anonymous, the rich conceal their fountains and gardens from the desert. The great Iranian poet Hafiz never wanted to travel because, like all visionaries, he felt that the truth must lie inside. He also felt that even there it was not easy to find. In keeping with this sensibility, the great families of Iran have covered the insides of their houses with murals and faceted mirrors so that each room is a visual maze of light and reflections of the real and painted figures. Turn the thought around and the mirrors are a complete defense system, turning away the truth. In Iran nothing is exactly as it seems. A foreigner finds uncertainty behind arrogance, sadness behind euphoria. But ambiguity may be the only principle of nature in Iran.

Iran today appears to be as fortunate as any country has ever been. Over the past three years the oil revenues of the Iranian government have jumped from $2.5 billion per annum to an expected $18 billion. If, as seems probable, oil prices continue to rise, the figure will equal the total exports of some Western European countries, such as Great Britain. These billions are, of course, only a fraction of the capital that will wash from the oil-consuming to the oil-producing states over the next few years. But the situation of Iran is very different from that of the Arab sheikdoms on the other side of the Persian Gulf, whose small populations and great desert wastes cannot begin to absorb

The Shah's fears of a third world war breaking out over Iran may become a self-fulfilling prophecy

Frances FitzGerald won the National Book Award for Fire in the Lake, *a report on Vietnam.*

Frances FitzGerald

GIVING THE SHAH EVERYTHING HE WANTS

such amounts of money. Iran, the world's third-largest oil producer, is about the size of Alaska. It has more than 30 million people, and a relatively large quantity of arable land. Its mineral resources, principally copper, may be potentially as valuable as its oil. The Shah now predicts that his country will be the fifth most important power in the world—after the United States, the Soviet Union, Japan, and China—within the space of a generation. Whether or not he is correct, the GNP growth rate of Iran is today the highest in the world.

Teheran today is a boomtown. There is nothing quite like it, even in this oil-rich part of the world. The population, over 3 million, has nearly doubled in ten years. The construction of new office buildings, high-rise apartment houses, and superhighways proceeds at such a rate that even residents have difficulty fin their way around. The only points of refer are the snow-covered peaks of the Elburz M tains to the north. On the new avenues are s selling plumbing fixtures, television sets, hideous brocaded, Louis Napoleon-style f ture. These avenues are raceways where cedes-Benzes, Opels, Simcas, Volvos, and American cars jockey for position. At rush the traffic looks like something out of Jean Godard's movie, *Weekend;* every day you see one or more spectacular accidents blood flushing into the street. These roads about the only public spaces in the new such has been the pace of development and speculation that there are few mosques an parks at all. Because of the walls, the only r side vistas are those made by construction —giving onto more blind walls.

On Friday, the Islamic day of rest, the yo people of Teheran like to climb the mour behind the city on a path that is lined with rooms and restaurants. Ten years ago, said, very few people made that climb—m taineering being a middle-class pursuit. thousands of young men and women, s dressed in blue jeans and climbing boots, ot in workday trousers and pointed shoes, scra and elbow their way up, five or six abr The all-day climb provides one of the few o sions for the young people of Teheran to r outside the restrictions of their conserva families. It is also the only way for mos them to get out of that denatured city.

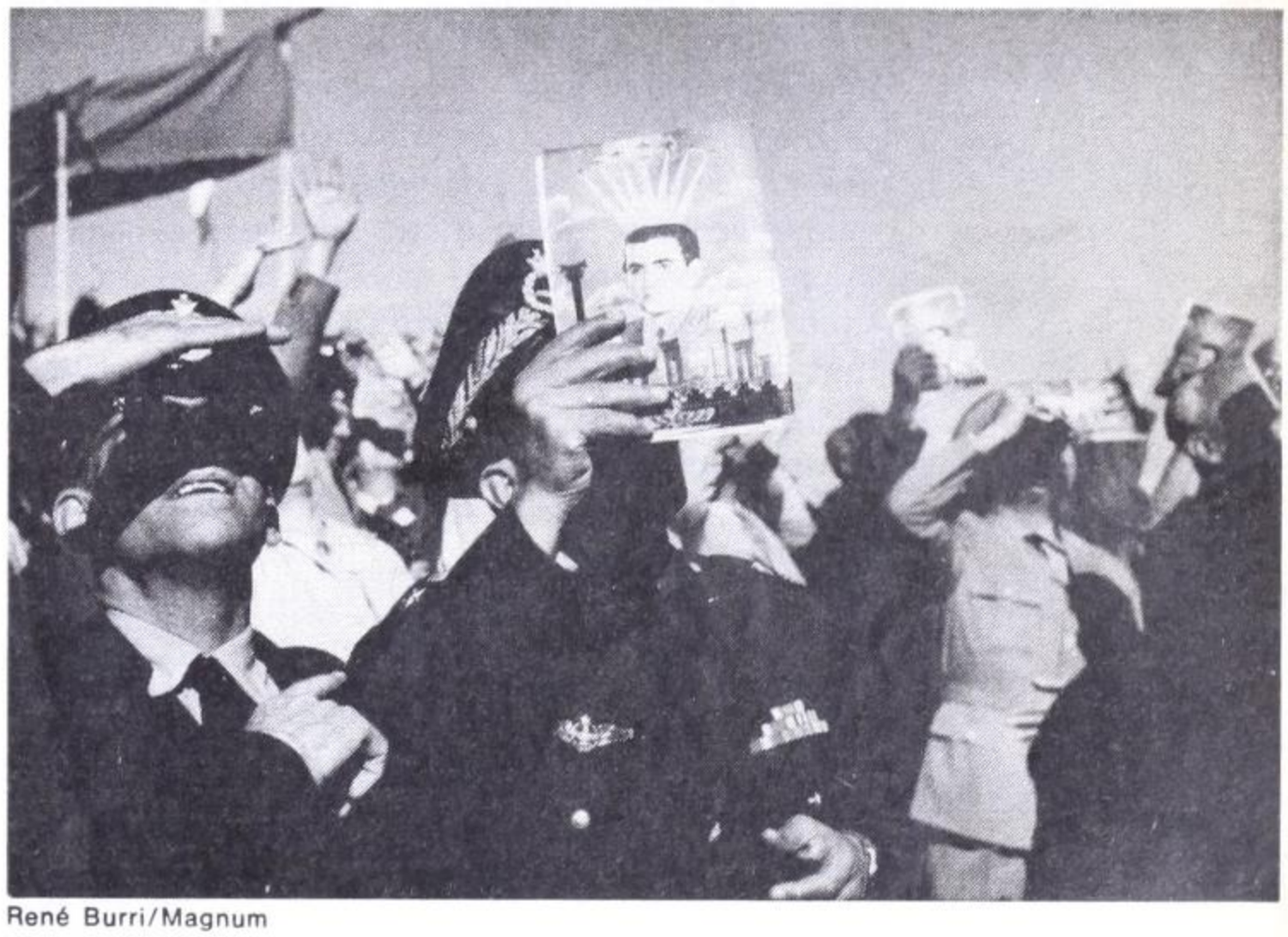
Henri Cartier-Bresson/Magnum

Gold r

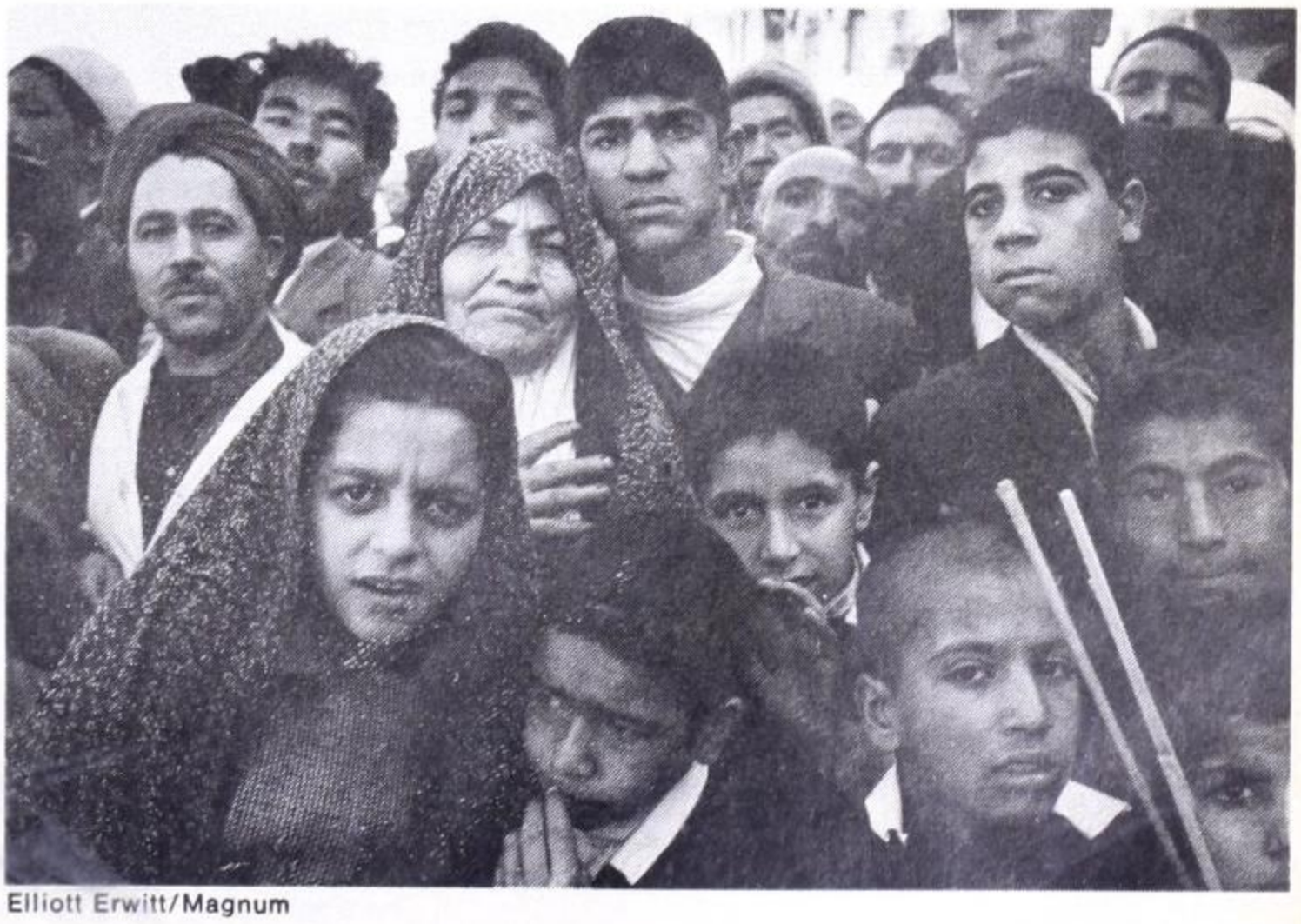
TEHERAN HAS BEEN A BOOMTOWN for s years, but since the rise in oil prices year the pace has accelerated. Last spring ernmental delegations, often including h of state, flew into Teheran at the rate of on two a week to ask for oil in exchange for a cultural products, capital goods, and tech ogy. The foreign ministers, industrialists, bankers formed a procession much like tha the friezes of Persepolis showing the emissa of kings bearing tribute to the ancient em ors of Persia. German industrialists have agreed to build $2.2 billion worth of joint ture projects in Iran, including what will be of the largest oil refineries in the world, as as a petrochemical complex, a steel mill, an diesel engine plant. The French governm signed a $4 billion agreement for, among ot things, the sale of five nuclear reactors the construction of new railways and a liquefaction plant and pipeline. During th inter-government negotiations, private busin men gathered from everywhere. The banc rooms of the Hilton and the Inter-Contine

e booked each night by Hawaiian Agro-
nics and other multinational corporations.
the hotel lobbies, Japanese, German, and
erican bankers complained about the tele-
ne system and strode about with heavy
fcases. "A businessman called me the other
," one American resident said. "He didn't
e an introduction. He had nothing specific
ısk me. In fact, he didn't really know why
was here at all except that he felt that there
ıt be a lot of money to be made and he
ıght he'd figure a way to glom onto some of
t's like the gold rush here."
ommerce is only the visible part of the new
vity in Iran. The Shah is doubling or
ling the strength of his armed forces. His
ps now number 280,000. Only a handful of
ıians know anything about this buildup,
ch is labeled "classified," and at the moment
ull extent can be gauged only by inference.
1973 the Shah bought $2 billion worth of
tary equipment from the United States; in
4 his purchases rose to $5 billion out of a
l American arms sale of $8.5 billion. The
tagon has not released much information on
equipment sold, but it is known that last
Iran had outstanding orders for more than
F-4E and F-5E fighter aircraft, and nearly
helicopters. Iran also ordered 800 Chieftain
n tanks and 250 Scorpion light tanks from
ain. This year Iran has bought 80 of the
Grumman long-range fighter-bombers, the
ls. It has also bought the most advanced
ll missiles and so-called smart bombs that are
led by lasers or television devices. Iran has
of the largest helicopter fleets in the world.
il it was discovered that American defense
ractors cannot sell shares to foreign coun-
, the Shah had considered buying Grum-
. As it is, he is thought to be negotiating for
YF-16 and YF-17, two models of fighter-
ıbers that are still under development. With
addition of these aircraft he may well have
third-largest air force in the world. In a few
s Iran will have the capacity to manufacture
tom bomb, and by then it will have a deliv-
system that can reach all the way to Mos-
. It will also have the depth of military
pment and personnel to fight a protracted
ventional war against one or more of its
hbors.
rior to last year's energy crisis, Americans
very little attention to Iran. For the press,
Imperial Majesty Mohammed Reza Pahlavi,
h of Shahs, Light of the Aryans, was a walk-
figure. He appeared regularly at White
se receptions where, handsome, straight-
ed, graying nicely at the temples, he would
photographed with Jackie Kennedy or Pat
on on his arm. The press rather liked him,
his "hereditary ruler of an ancient and fab-
s empire" provided a little color to the otherwise drab line of visiting presidents and military dictators. The favorite press picture of the Shah was a color portrait of him in full-dress uniform, with gold braid and medals, seated on the jewel-encrusted Peacock Throne of Persia. The picture always appeared with a caption listing all his titles. The press did not, of course, wish to seem overly impressed by such magnificence. When in 1971 the Shah celebrated the 2,500th anniversary of the foundation of the Iranian empire with a fete at Persepolis that cost $100 million, most of the press criticized him for such a wasteful display, while at the same time exploiting the event to the maximum with full-color spreads of the assembled royalty. Information about the Shah never added very much to, or subtracted from, the royal portrait. Journalists treated him with

"Each room is a visual maze of light and reflections of the real and painted figures. Turn the thought around and the mirrors are a complete defense system, turning away the truth."



René Burri/Magnum

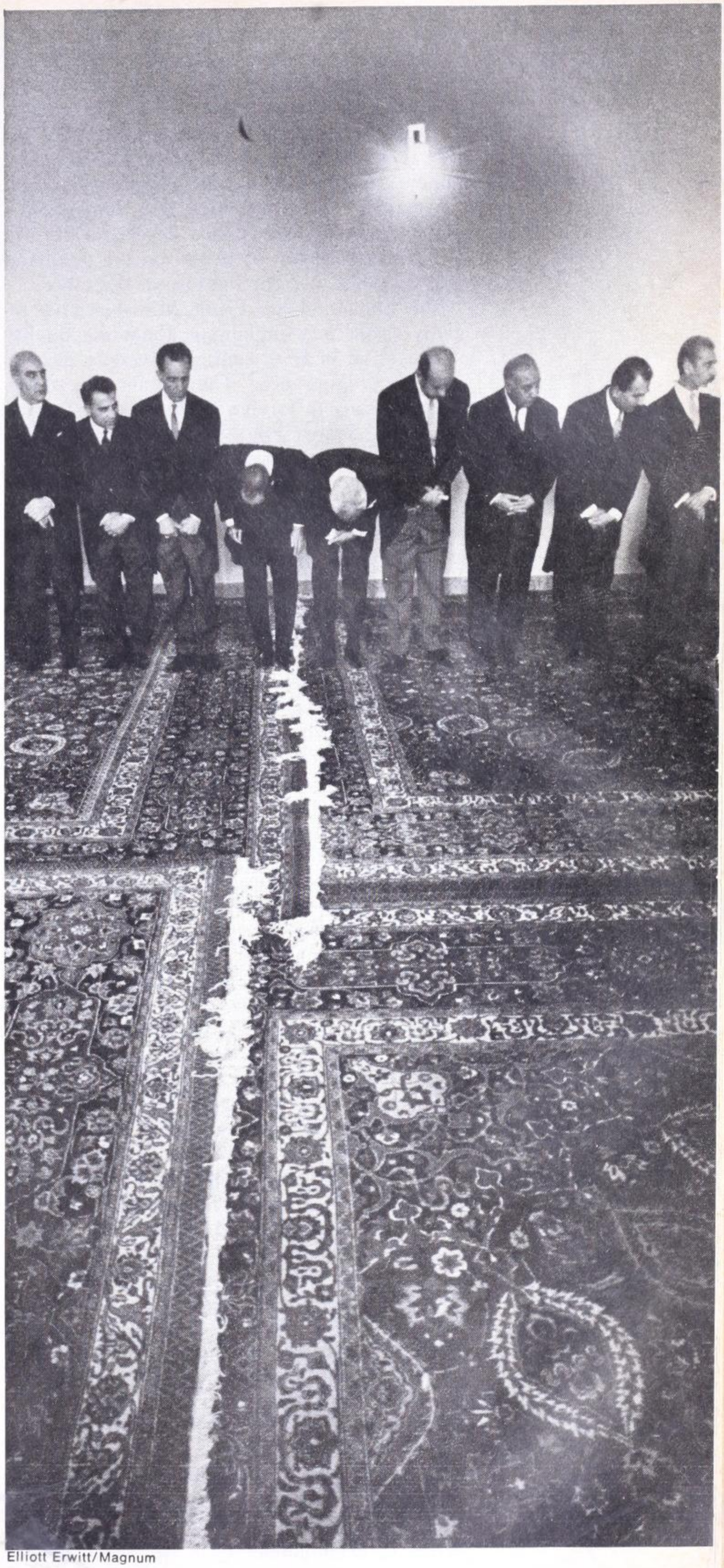


Elliott Erwitt/Magnum

graduated about 18,000 students (fewer than
, whose population is a fifth of Iran's) and
t 600 doctors. Each year half the medical-
ol graduates leave the country—there are
Iranian doctors in New York than there
in any city outside Teheran. The phrase
in drain" was coined in Iran. In other
s, despite its oil money and vaunted gov-
ent stability, Iran is basically worse off
a country like Syria that has had neither
d a war going on—for the past twenty-
years.

ie reason for all this is simply that the
has never made a serious attempt at de-
ment. The wealth of the country has gone
airports. (Teheran is just about to get a
nd international airport, and Iran Air has
red 747s as well as the supersonic Con-
e.) It has gone into private cars rather
buses, into consumer goods rather than
ic health, and into the salaries of soldiers
policemen rather than those of teachers.
uption exists at every level of society, be-
ing with the Shah's own relatives, and, as
very two-bit military dictatorship, military
ers take their cut from the customs and
rol business enterprises that are only dis-
y related to military affairs. With high tar-
arriers and tax incentives, the government
done a good deal for some forms of private
stry. It has made some people extremely
producing consumer goods that the mass
ie population does not need or cannot af-
Because of the uncertainties of govern-
policy, businessmen tend to shy away from
uctive, long-term ventures to go into im-
export or similar quick-profit ventures.
the government-run industries—with the
ption of oil—are highly inefficient.

anian officials know all of this, but they
operate in a medium of propaganda that
become so dense over the years that it seems
to be a second reality. The White Revolu-
is the central event of official Iranian his-
and university students spend an entire
studying the twelve edicts. It doesn't seem
atter that most of them have never been im-
ented. The Shah says that workingmen re-
49 percent of the shares of the companies
work for. In fact, very few companies have
es, and even skilled workers cannot afford
uy them. Last winter the Shah promised
all school children would receive a glass of
and a piece of cake when they come to
ol in the morning. The cake may sound
niscent of Marie Antoinette, but it is the
(not to speak of the schools) that is lack-
"We'll buy powdered milk," one journalist
ironically, "and then the children can mix
th the polluted water of their villages." The
arity between what is supposed to happen
what actually happens does not result from



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